81-1

New England Labor and the Economy at the Year-end 1980

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
New England Regional Office

Regional Report Number 81-1

NEWARK PUBLIC LIBRARY

FEB 25 1981

U. S. GOVT. PUBS.
DEPOSITORY 376

L2.71/3:

New England Labor and the Economy at the Year-end 1980

U.S. DEPARTMENT OF LABOR
Ray Marshall, Secretary

Bureau of Labor Statistics
Janet L. Norwood, Commissioner

New England Regional Office
Wendell B. Macdonald, Regional Commissioner

1981

Regional Report Number 81-1

FOREWORD

This 33rd annual year-end report was prepared by the staff of the New England Regional Office including Gordon E. Bowen, William A. Ferson, Mary M. Russell, and Denis M. McSweeney.

Wendell D. Macdonald
Regional Commissioner

READEX FICHE best copy available

TABLE OF CONTENTS

I. Summary

II. Retail and Wholesale Prices

III. Employment

IV. Labor Force and Unemployment

V. Wages and Labor-Management Relations

Material in this publication is in the public domain and may be reproduced without permission of the Federal Government. Please credit the Bureau of Labor Statistics.

NEW ENGLAND LABOR AND THE ECONOMY AT THE YEAR-END

I. Summary

The New England economy presented offsetting economic trends as 1980 drew to a close; employment continued to expand but at a slower pace while unemployment was up sharply; higher wage levels were offset by still higher prices at both the retail and wholesale level. There is cautious optimism that New England may be faring better in this recessionary period than in earlier downturns based on key regional statistics. New England's nonagricultural employment registered a small but steady expansion over the year ending October 1980. In percentage terms, New England with a .8 percent increase has outpaced the national job growth of .2 percent. Manufacturing employment, which is generally more sensitive to cyclical downturns has declined significantly over the past year but still fared better than the nation as a whole. Regionally, manufacturing employment was down 2.3 percent while nationally the decline was 4.3 percent. The growth in nonmanufacturing employment, which accounts for almost 72 percent of total nonagricultural employment in New England, continued to outpace the national growth rate. These industries added 78,000 new jobs for a 2.0 percent gain bringing October 1980 employment to over 4 million. The national performance in the nonmanufacturing sector lagged behind the region's, recording an employment increase of 1.6 percent.

The New England unemployment rate over the twelve month period ending October 1980 rose significantly from 4.6 percent to 5.7 percent. Nationally, a similar rise saw the unemployment rate move up from 5.6 percent in October 1979 to 7.1 percent a year later. However, the region's unemployment measures are well below the 1974-75 recession levels when the rate peaked at 11.1 percent in June 1975. The calendar year high of New England's unemployment rate was 6.5 percent in July but has since dropped, recording percentages of 6.1, 5.9, and 5.7 in August, September and October respectively. It now averages approximately 1.1 percent below the national unemployment rate and appears that New England has fared better than the nation during the 1980 recession.

Nationally, the finished goods component of the Producer Price Index, the Bureau's primary measure of wholesale prices, advanced 11.9 percent over the twelve months ended November 1980. Although wholesale price movements are not an exact mirror of future retail price changes, these levels are closely watched for any significant changes and an examination of the finished goods component showed very little slackening in the rate of inflation. On the retail levels, both nationally and locally, double digit inflation continued. Nationally, the Consumer Price Index for all Urban Consumers (CPI-U) rose 12.6 percent for the 12 months ended November 1980. Locally, the Boston CPI-U gained 11.7 percent over the same period indicating that prices are rising slightly faster nationwide than in Boston. At both the national and local levels the mushrooming cost of energy and home ownership were important factors in the increase.

Faced with the second year of double digit inflation wages and salaries of New England workers climbed sharply higher showing larger gains in 1980 than in the comparable period of 1979. Pay gains for all workers in the Northeast were 8.9 percent compared to 6.9 percent in 1979.

II. Retail and Wholesale Prices

Retail Prices Continue to Increase

A slight increase in the inflationary rate for Boston consumers was evident in the 12 month period ending November 1980 compared to the same period a year earlier. The 11.7 percent gain in the Boston Consumer Price Index for all Urban Consumers (CPI-U) in the past year is slightly higher than the 11.5 percent hike recorded over the same span in 1979. Over the same November 1979-to-November 1980 period the U. S. CPI-U climbed 12.6 percent which was identical to the increase recorded in the previous year.

These latest retail price figures indicate that the Boston market basket of goods and services that would have cost $100.00 in the 1967 base period would now cost $248.80. Or, to place inflation in another perspective, the 1967 dollar is now worth 40.2 cents.

When the All Items Boston CPI of 248.8 in November 1980 is compared with the U. S. All Items CPI of 256.2, both on a 1967=100 base period, it indicates that the cost of the CPI market basket of goods and services is rising at a faster pace nationwide than in Boston. This difference was much more pronounced in the Food at Home category where Boston price levels advanced by 8.3 percent while U. S. prices jumped ahead by 11.1 percent. Also housing costs gained 12.5 percent in Boston in the last 12 months while the overall U. S. increase was 13.7 percent.

Prices for Apparel and Upkeep, which increased by 5.8 percent in Boston, climbed 7.6 percent in the U. S. Other Goods and Services also increased faster in the U. S. with a gain of 9.8 percent compared with a hike of 8.5 percent in Boston.

Price levels for some CPI groups did climb faster in Boston than in the U. S. The Transportation and Entertainment groups in Boston climbed

16.6 and 9.7 percent respectively while the comparable U. S. increases were 15.2 and 9.5. Medical care also was rising more in Boston climbing 12.2 percent locally and 10.7 percent nationally.

The largest increase of any group for which Boston CPI data is published was public transportation where increases in local transit fares helped push this index higher by 38.1 percent. The only significant category in the Boston CPI to decline in 1980 was the cereals and bakery products group which declined by .2 percent.

Energy Prices In Boston Above National Average

Boston consumers paid higher prices than their U. S. counterparts for their utility (piped) gas, electricity and fuel oil. Energy prices in Boston jumped 19.1 percent over the past year with a comparable 18.9 percent increase in the U. S. energy figure. Only a gallon of gasoline matched the U. S. average at $1.22. All other energy prices in Boston were higher than the national average.

From November 1979 to November 1980 Boston consumers saw the price of fuel oil #2 rise from .862 per gallon to $1.033. Similar increases were recorded in the average price for 500 KWH of electricity which rose from $30.40 in November 1979 to $34.58 a year later. The average cost for 100 therms of piped gas also became more expensive over the year rising from $48.79 to $55.93.

Wholesale Prices

Very little slackening in the rate of inflation is apparent when the finished goods component of the Producer Price Index (PPI) is analyzed. This finished goods index, which is the Bureau's primary measure of price movements at the wholesale level, advanced 11.9 percent over the 12 month period ending in November 1980. The index for finished goods stood at

253.2 in November 1980, on a 1967=100 base period. Over the previous 12 month period ending November 1979 this index increased by 13.0 percent. Although wholesale price movements are not an exact mirror of future retail price changes, these levels are closely watched for any significant changes.

Other components of the PPI have shown comparable increases over the November 1979 - November 1980 period. Intermediate materials advanced 12.4 percent and crude materials gained 16.1 percent in the past year. The crude material increase was affected by a 25.7 percent jump in crude fuel prices over the last 12 months. Increases of 32.8 percent for natural gas and 28.9 percent for crude petroleum over this period are not optimistic signs for consumers.

The all commodities index in the PPI of 278.4 (1967=100) in November 1980 was 12.6 percent higher than a year earlier. Most of the 15 commodity groupings recorded increases that paralleled the 12.6 percent gain for all commodities, although there were some significant differences. The fuels and related products group registered the largest increase of 25.3 percent and was followed by the miscellaneous products group where the gain was 19.1 percent. The only decline occurred in the lumber and wood products group where a 1.9 percent price decrease was noted over the past year. Farm products and processed foods and feeds were higher by 12.0 percent and 10.3 percent over the November 1979 - November 1980 period.

Spot Market Prices

The Bureau of Labor Statistics' spot market price index of 22 basic commodities, prepared each Tuesday, also serves as a barometer of future retail price changes and includes many commodities that have highly volatile price movements. The all commodities increase in this Index has

been 5.2 percent over the past 12 months. Foodstuffs, one of the two major components included in this Index gained 12.6 percent over the past year and has far outdistanced the increase in the raw industrials component of .3 percent.

Family Budget Costs Lead The Nation

Autumn 1979 family budget costs for various U. S. urban areas indicated that a four-person family in Boston required $24,381 to purchase the goods and services representing an intermediate level of living. Boston maintained its rank of number one in family living costs for the eighth consecutive year due primarily to the amount allocated for housing expenditures which was 35 percent above the urban United States average. For the 13th consecutive year, 1967-79, Boston's housing costs have been the highest of all the continental U. S. cities included in the survey.

Clothing and feeding the family became more expensive over the year and were up almost 9 percent each while the family's personal care and medical costs rose approximately 10 percent each. The largest percentage increase, 17.5 percent, was in transportation costs and maintained Boston's position as most costly due primarily to the cost of automobile ownership.

III. Employment

Nonagricultural Employment Continues Growth

New England's nonagricultural employment 1/ registered a small, but steady, expansion as the year 1980 drew to a close. The 5,460,000 nonagricultural jobs as of last October had increased to 5,503,000 by October 1980, for a gain of 43,000. Over this same period, jobholders in the U.S. increased from 91,062,000 to 91,242,000, for a net gain of 180,000. In percentage terms, New England, with a .8 percent rate, has slightly exceeded the national job growth of .2 percent.

Manufacturing Jobs Decrease During 1980

Manufacturing employment declined significantly over the past year. From a total of 1,530,000 manufacturing jobs in October 1979, the region's factories decreased their payrolls by 35,000, to 1,495,000 workers, a year later. The 2.3 percent drop in regional manufacturing jobs was more favorable than the national reduction of 4.3 percent. The manufacturing economic situation has deteriorated since last year when the regional and national growth rates were .8 and 1.6 percent, respectively.

Jobs in the region's durable goods manufacturing industries decreased by 9,000 during the past year. Between October 1979 and October 1980, total jobs in hard goods production dropped from 930,000 to 921,000 for a 1.0 percent loss. New England's experience in durables was more favorable than the national over-the-year change, as U.S. employment declined from 12,364,000 to 11,671,000 for a 5.6 percent drop.2/ Regionally, there were increases in four of the nine major durable goods industries, whereas, nationally, there was an increase in only one.

1/ Nonagricultural employment is based upon establishment records and excludes agricultural workers, those employed as domestics, and the self-employed.

2/ For this comparison, miscellaneous manufacturing is considered a nondurable industry nationally as well as regionally.

The region's producers of nondurable goods employed 574,000 in October 1980, which was 27,000, or 4.3 percent lower than the October 1979 level of 600,000. The national performance in nondurable employment was better than that of the region, showing a decrease of 217,000 jobs, or 2.5 percent to a total of 8,612,000. The pattern of change in the major industries was similar for the region and the nation. In New England, all of the nine industries reported losses and for the U.S. all but one showed a loss.

Nonmanufacturing Sector Continues Long-Term Growth

The increase over the past year totaled 78,000 for a 2.0 percent gain, bringing October 1980 employment to 4,008,000. The national performance in the nonmanufacturing sector lagged behind the region's with a gain of 1.6 percent. The national 1,090,000 worker increase brought the October 1980 total to 70,959,000.

New England's service industries growth continued with the addition of 60,000 workers for a 5.2 percent gain during the year ending October 1980. The services division now employs 1,219,000 New Englanders. Regional performance in this division exceeded that of the nation by 1.4 percentage points.

Wholesale and retail trade, combined, employ the second largest number of workers in the region. The trade division added 20,000 jobs during the past year, for a 1.7 percent gain, to a total of 1,193,000. Regional growth exceeded that for the nation by .6 percentage points.

Employment in construction fell to 200,000 in October 1980, which represented a drop of 10,000 or 4.8 percent over the year. The U.S. recorded a 2.0 percent loss in this division.

Finance, insurance, and real estate maintained its long-term upward trend, for a gain of 5,000 jobs in the past year, to bring the October 1980 total to 317,000. New England's gain of 1.4 percent fell behind the national growth rate of 3.3 percent.

The transportation and public utilities division added 2,000 workers, for an increase of .8 percent, bringing the regional total to 242,000. Nationally, this division recorded a drop of 66,000, or 1.3 percent.

Government employment in New England remained fairly steady over the past year. A gain of 1,000 workers, representing a .2 percent growth rate, was concentrated in the state and local sector. The government growth rate for the U.S. was 1.0 percent.

IV. Labor Force and Unemployment

Unemployment Moved Upward in 1980

The New England unemployment rate over the 12 month period October 1979 to October 1980 rose significantly from the low levels achieved in 1978 and 1979. As of October the rate stood at 5.7 percent (not seasonally adjusted),1/ an increase of 1.1 percentage points above the 4.6 percent rate recorded one year earlier. Over-the-year the number of unemployed persons in the region rose by 77,800, or 28 percent, while employment 2/ increased by 105,900 persons resulting in a labor force expansion of 183,700 persons. Thus, about 42 percent of the expanded labor force fell into the unemployed category and in so doing caused the 1.1 percent rise in the rate. The nation as a whole experienced a similar rise in the unemployment rate moving up from 5.6 percent in October 1979 to 7.1 percent one year later but averaged about 1.1 percentage points above the regional rate during that period.

Although the unemployment picture has worsened both regionally and nationally over the past year, the regions unemployment measures are well below the 1974-75 recession levels when the rate peaked at 11.1 percent in June 1975. During the time that has followed that recessionary period, the 4.4 percent rate recorded in October 1978 continues to be the low point.

Beginning with the October 1979 rate of 4.6 percent, New England unemployment rose to a seasonal high of 6.4 percent in January 1980 reflecting the usual post holiday layoffs in trade coupled with the cold weather curtailment in construction. The rate continued to follow seasonal trends established in 1978 and 1979 as it dropped to 5.3 percent in April. However, the 5.6 percent May rate showed that the 1980 recession, declared to have begun in January, was beginning to be felt in

the unemployment data. The calendar year high of 6.5 percent was reached in July before the rate dropped to 6.1, 5.9 and 5.7 respectively in August, September and October.

The over-the-year increase in regional unemployment was concentrated primarily in the experienced labor force as measured by those receiving unemployment insurance benefits which rose from 101,000 last year to 125,800 in October. The duration of unemployment, indicated by the number of claimants exhausting benefits, fell slightly from 35,000 to 33,600. Unemployed entrants to the labor force, made up primarily of teenagers and women, also declined slightly from 73,000 to 70,400.

National and Regional Comparisons

Perhaps the most significant economic story for New England during 1980 was the record of the regional economy compared to that of the nation as measured by the unemployment rate. Over most of the decade of the 1970's, New England unemployment rates have been substantially above those of the nation, running at 1.0 percentage points above the national rate. This relatively poor economic performance became even more pronounced in 1975 as the difference grew to 1.9 percentage points above the national average. By 1977, however, the gap had been narrowed to .7 points and in 1978 the difference between the two rates turned around with the New England rate reading .3 percentage points below the national rate and and continuing at .4 points below in 1979. Since October 1979 that difference has grown from a .8 below to 1.4 below in October 1980 and has averaged 1.1 percentage points below over the period. The regional rate has now been

---

1/ Because of the limited time series available on a comparable basis, data have not been adjusted for seasonal fluctuations.

2/ Employment as defined in this section includes agricultural workers and those employed as domestics and the self-employed.

continually below the national average since March of 1979. It seems clear from this record that New England has fared better than the nation during the 1980 recession.

Although unemployment has increased throughout the nation, New England at 5.7 percent in October continues to have monthly rates lower than most other regions. As was true last year, only the middle section of the country in an area roughly bounded by North Dakota and Minnesota on the north and Texas on the south, had a more favorable October unemployment picture. Rates in most of those states ranged between 3.5 and 5.5 percent. States in the West and Southwest as well as in most states east of the Mississippi River were experiencing rates between 6 and 9 percent with Michigan posting an unusually high 12.1 percent rate. In the East, only Maryland at 5.9 percent and Virginia at 5.1 percent fell below the range and in the West only Hawaii at 5.7 fell below. In October, Wyoming's 3.7 percent rate was the lowest in the nation. New Hampshire at 4.5 percent posted the lowest rate among the six New England states, a rate that was the sixth lowest in the nation. Last year at this time New Hampshire had the third lowest rate.

Labor Force and Employment

The New England labor force expansion of 4.1 percent from October 1979 to October 1980, exceeded, at it did last year, the much smaller 1.4 percent growth rate of the nation. Much of the regional growth was concentrated in Massachusetts which recorded a strong 4.1 percent increase in its labor force. Vermont, also with a 4.1 percent gain, helped to boost the regional expansion. Again, as was true last year, no New England state experienced a decline in its labor force with Connecticut 1.4 percent gain the region's lowest.

Still another indication of the 1980 recession's relatively light touch on the region is the labor force participation rate which typically declines during periods of economic contraction. As expected, the rate has fallen slightly for the nation as a whole from 64.0 to 63.9 as a percent of the noninstitutional population. However, contrary to the national trend, the New England participation has increased from its 65.4 percent last year to 66.6 percent in October 1980. New Hampshire's 68.0 percent topped the region while Maine's 61.8 percent was the lowest. Maine was also the only New England state with a participation rate below the national average.

Also reflecting the expanding regional labor force, New England employment rose by 105,900 or 1.8 percent while the national average fell by .3 percent from October to October. Employment growth in percentage terms was led by Massachusetts with a 2.9 percent gain followed by Maine at 2.0 percent and Rhode Island at 1.8 percent. Connecticut's .4 percent increase was the region's smallest.

State and Area Unemployment Comparisons

All New England states experienced over-the-year increases in their unemployment rates ranging from a low of .6 percentage points in Maine to a high of 2.5 points in Vermont. The largest increases occured in Massachusetts, New Hampshire and Vermont, the three states which had the lowest rates last year. As a result, rate differences among the states have diminished since last year. Despite the changes that have occured, New Hampshire's 4.5 percent remains the region's lowest while Maine retains its ranking as the highest rate with 7.0 percent.

Unemployment rates also rose in all 19 of the region's major labor market areas. Rate increases were most prominent in Springfield which advanced by 2.2 percentage points, New Bedford 2.0 points, and both Lowell

and Manchester 1.9 points. New Bedford's 8.3 percent unemployment rate was the highest among the major areas and the 4.1 posted for Nashua was the lowest.

Most of the smaller labor markets in the region continue to have rates at or below the rate for their state. There are, however, several smaller areas around the region which are experiencing rates significantly above average for the state. Notable examples of areas above 8 percent are the Cape Cod labor market in Massachusetts; Ansonia, Bristol, and Danielson in Connecticut; Littleton in New Hampshire; Newport, Morrisville and St. Albans in Vermont. In addition, most of the areas in northern Maine had rates between 8 and 10 percent with the Southwest Penobscot region recording a high of 14.3 percent.

All labor force and unemployment estimates in this report have been previously released by the Bureau of Labor Statistics in official publications and are used in the administration of various Federal economic assistance programs. Statistics derived from state unemployment insurance operations have been adjusted to the Current Population Survey (CPS); a survey of households.

V. Wages and Labor-Management Relations

Regional Earnings

Average hourly earnings of New England production workers in manufacturing moved sharply upwards in 1980 increasing 8.5 percent but slightly below the U. S. increase of 9.7 percent. By October hourly earnings in New England averaged $6.64 compared to $6.12 the previous year. Connecticut with average hourly earnings of $7.26 led the region but was below the national average of $7.48. Production workers in Massachusetts averaged $6.70, Vermont $6.31, Maine $6.20, New Hampshire $6.01 and Rhode Island $5.68 an hour. Much of the earnings differential from state to state appears due to differences in industrial and occupational mixes.

Real Earnings Decline

Average weekly earnings of Boston area production workers rose 3.1 percent to $285.12 from January to September, 1980. Nationally, gross average weekly earnings for factory workers rose 6.6 percent to $295.32. For the married Boston area production worker with three dependents, average spendable earnings were $244.35 after social security payments and federal and state taxes were deducted -- a 2.7 percent advance over the first three quarters of 1980. However, after taking price increases into account the purchasing power of factory production workers pay in Boston actually fell 4.7 percent over the nine month period.

Union Management Settlements

In New England, labor management negotiations were extensive in 1980 covering 400,000 workers in the paper, aerospace, stevedoring, leather, and construction industries. Also there were local negotiations relating to the national ageements signed in steel and the communications industries. This marks the second active year in a three year cycle where one light

year of bargaining is followed by two heavy years.

Settlements reached during the first nine months of 1980 provided average first year wage adjustments of 9.7 percent, higher than the 7.4 percent average negotiated throughout 1979. In manufacturing, negotiated wage adjustments averaged 7.3 in the first contract year and 5.4 percent annually over the life of the agreements. In nonmanufacturing, the averages were higher, 11.1 and 8.3 percent. In the construction industry contract negotiations have been particularly heavy this year and have resulted in many record setting pacts. First year wage adjustments averaged 13.9 percent in the construction industry and 11.6 percent over the life of the contract.

While regional data are not available for 1980 traditionally New England settlements have lagged behind the national rates. The sole exception being 1979 when wage increases for the first year as well as over the life of the settlement were the highest for the first time since data were published on a regional basis.

Negotiated Wage Changes in New England and Total U. S., 1975-80

	NEW ENGLAND			UNITED STATES	
	FIRST YEAR WAGE-RATE ADJUSTMENT	ANNUAL RATE OF CHANGE OVER LIFE OF SETTLE-MENT	INCREASE IN CONSUMER PRICE INDEX	FIRST YEAR WAGE-RATE ADJUSTMENT	ANNUAL RATE OF CHANGE OVER LIFE OF SETTLE-MENT
1975	8.4%	6.9%	7.0%	10.2%	7.8%
1976	7.0%	6.4%	4.8%	8.4%	6.4%
1977	7.6%	5.8%	6.8%	7.8%	5.8%
1978	6.1%	5.4%	9.0%	7.6%	6.4%
1979	9.4	7.6	13.4%	7.4%	6.0%
1980	---	---	12.6% 1/	9.7% 2/	7.3%

1/ Increase from September 1979 to September 1980.

2/ Data for first nine months of 1980.

Rate of Wage and Salary Changes

Wage and salary gains for workers in the Northeast continued to lag behind the nationwide average for the 12 months ended September 1980 as measured by the Employment Cost Index (ECI). The ECI measures changes in the straight time wage and salary rates of a standardized mix of labor services in the nonfarm economy. Pay gains for all nonfarm workers were 9.4 percent for the 12 months ended in September while by region the rate of change was highest in the West 10.6 percent and lowest in the Northeast 8.9 percent. All regions including the Northeast had larger gains in 1980 than in the comparable period of 1979. Pay gains in the Northeast were 8.9 percent in 1980 compared to 6.9 percent in 1979.

Wage Trends in New England's Metropolitan Areas

Increases in average earnings of five occupational groups in New England's metropolitan areas ranged from 6.9 to 12.3 percent for the year ending August 1980. During the same 12 month period the Consumer Price Index rose 12.8 percent.

Wage changes showed a wide variation by occupational group and by metropolitan area. The largest and smallest percent increases were found in the Data Processing group with increases of 12.3 percent in Worcester and 6.9 percent in Portland. Industrial nurses showed the greatest average pay gain in the five metropolitan areas studied while office clerical workers showed the smallest average wage hike. In Boston the five occupational groups averaged over 9 percent while in Worcester the average pay hike was over 10 percent.

Percent Increases for Selected Occupational Groups in Five New England Metropolitan Areas, August 1979 to August 1980

	YEAR ENDING	OFFICE CLERICAL	ELECTRONIC DATA PROCESSING	INDUSTRIAL NURSES	SKILLED MAINTENANCE	UNSKILLED PLANT
Boston	Aug 80	9.2%	8.7%	9.7%	9.6%	9.2%
Hartford	Mar 80	8.6	9.5	10.1	9.9	9.5
Portland	Dec 79	10.5	6.9	----	11.6	9.6
Providence	Jun 80	8.8	9.6	11.9	9.9	8.8
Worcester	Apr 80	9.0	12.3	9.5	10.1	10.0
Average Increase	---	9.2	9.4	10.3	10.2	9.4

Professional Salaries Advance

Average salaries for selected white-collar occupations in private industry increased a record 9.1 percent during the year ending March 1980, slightly larger than the previous record increase of 9.0 percent in 1975 and well above the 7.7 percent for the previous year. Percentage increases in average salaries over the 12-month period varied by occupation with drafters, engineering technicians, chief accountants, and directors of personnel recording the largest increases of at least 11 percent; the smallest over the year increase was the public accountant occupation with a 4 percent advance. Increases for the remaining professional occupations surveyed averaged between 8 and 9 percent. Similarly all clerical occupations averaged 8.8 percent with only messengers and personnel clerks below this average.

Banking and Life Insurance Salaries

In February 1980 as part of its regular Industry Wage Survey Program occupational wage studies were conducted in Boston and Hartford in the banking and life insurance industries -- two major components of the financial community. Approximately 40,000 are employed in these industries in Boston while in Hartford 35,000 are employed with 29,000 in life insurance.

Among selected clerical and computer occupations earnings in the life insurance industry were higher than in banks but both were generally lower than for private industry overall. Weekly salaries among insurance occupations in Hartford ranged from $636 for actuaries to $206 for premium acceptors while in Boston actuaries received $671 and correspondents $212. In banking, loan offices were the highest paid receiving $403 in Boston and $394 in Hartford while contract tellers received $165 in Boston and $153 in Hartford.

Durable Goods Manufacturing

Highlighting agreements reached in 1980 in durable goods manufacturing was a three-year agreement between the Industrial Union of Marine and Shipbuilding Workers and the General Dynamics Corporation affecting approximately 3000 workers at the Quincy Shipyard. It marked the first time in 11 years that a contract agreement was reached without a strike. The new contract called for an estimated 30 percent hike in wages and benefits over the life of the agreement including $2.20 per hour in wages plus increased disability, health insurance, and pension coverage. Bargaining between the Communications Workers of America and Western Electric Company in Andover followed the pattern set by the nationwide accord in the telephone industry estimated to be worth 34 percent over the life of the contract. The three year agreement called for an initial wage

increase estimated to be 9.24 percent or $28.82 a week. In April the national agreement between the United Steelworkers and the nine large steel companies was signed affecting 300,000 nationwide as well as having important "rippling" effects in the metal fabricating industries in southern New England. The basic steel settlement would raise worker compensation an estimated 24.7 percent over 3 years. While the settlement provided for a range of wage increases in May 1980 of between 25 and 57 cents depending on job grade, the Steelworkers union had stressed that its major concern was in winning pension increases for retirees to help counter inflation. In return for improving the pension formula for present and future retirees the union agreed to waive the May 1980 wage escalation payment to help the companies meet the cost of benefit improvements.

Construction Settlements Increase

Several contracts between the Associated General Contractors of America and various unions in Connecticut were renewed during the year, typically of 3 years duration, with first year pay increases averaging $1.00 per hour. In April the Operating Engineers signed a statewide contract covering 3500 members calling for a $1.01 per hour wage increase. Also in April, the Carpenters signed a three year agreement which covered 6000 members and called for hourly increases of 95 cents in Hartford and $1.10 in other areas of the state. In May the Teamsters renewed their statewide agreement covering 2100 workers which called for an initial $1.00 per hour increase.

For the 12 months ending October 1, 1980 union wage scales in the building trades in Boston rose approximately 8 percent while below the national average increase of 9.4 percent it was one of the highest annual rates of increase in recent years. Heavily impacting the increase were

wage settlements of approximately 10 percent in the Electricians, Painters and Plumbers Unions. At the year end basic union wage scales in the Boston area for key construction groups included the following: plumbers $14.10 per hour; electricians, $13.18; painters, $12.61; carpenters, $11.95; plasterers, $11.35; bricklayers, $11.40; and laborers, $9.55.

Public Utilities

In the telephone industry the International Brotherhood of Electrical Workers, with 30,000 workers, settled with the New England Telephone Company and the Connecticut Union of Telephone Workers with 11,000 members, signed with Southern New England Telephone. Both contracts were patterned after the three year nationwide agreement between the Communications Workers of America and the American Telephone and Telegraph Company which was valued at 34 percent over the life of the contract. The initial wage increase in August averaged 9.24 percent or $28.82 per week. The agreement also improved the COLA adjustment formula and added a personal day.

Settlements among electric utilities ranged between 8 and 9-1/2 percent depending on the length of the contract. A three year agreement calling for a 9.5 percent increase was signed in May between the Utility Workers Union, representing 2000 workers, and the Boston Edison Company. In August identical two-year agreements were signed for an 8.5 percent increase between the Connecticut Light and Power and Central Maine Power and the IBEW covering a total of 3000 members at both locations. Earlier in the year the New England Electric System signed two year contracts with both the IBEW and the Utility Workers which called for an average 8.35 percent increase in April for their 3000 members.

Government Salaries Advance

In October approximately 70,000 Federal workers in New England employed under the General Pay Schedule received an across-the-board increase of 9.1 percent. Also receiving increases were doctors, dentists, nurses and certain other employees in the Veteran's Administration and foreign service offices whose rates are linked by law to those for GS employees. Also receiving across the board increases were members of the uniformed military services who received wage increases of 11.7 percent.

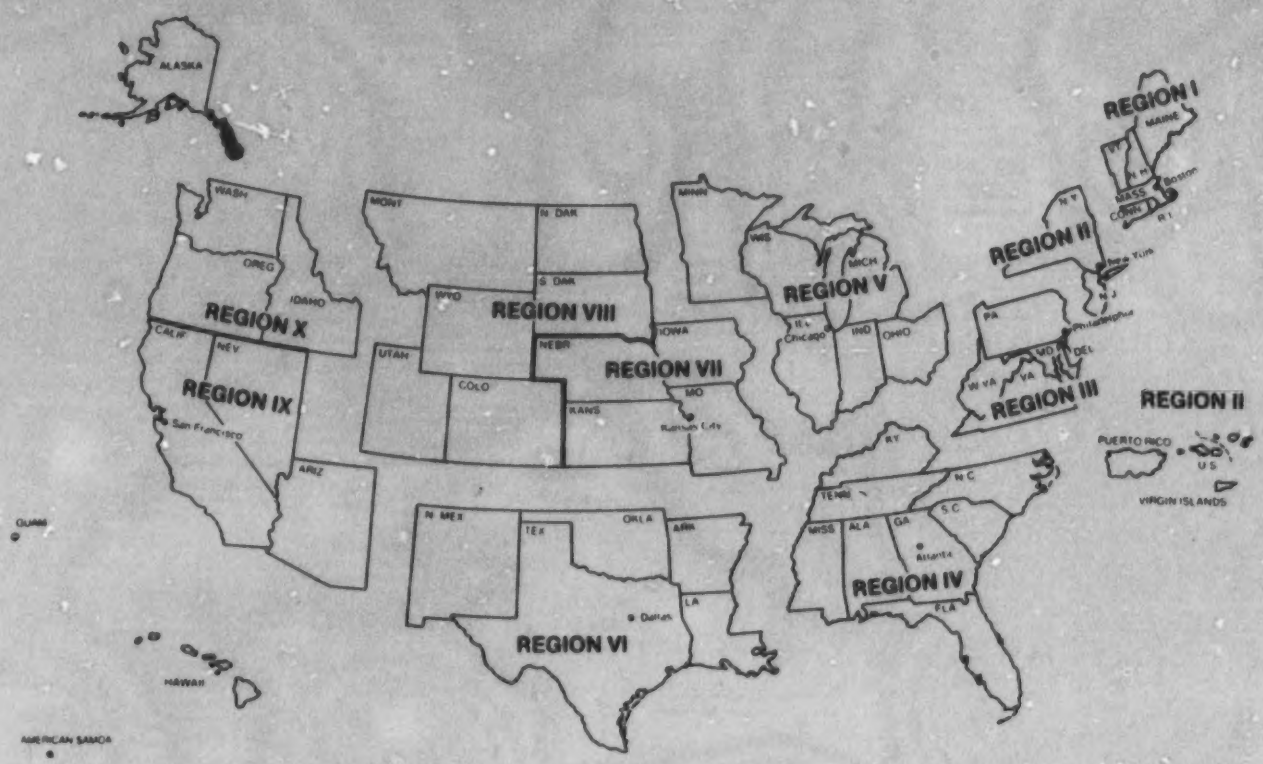
COLA Adjustments

The sharp upward movement of prices during 1980 resulted in sizeable pay increases to all workers covered by cost of living (COLA) changes. In 1980 approximately 60 percent of the workers covered under major collective bargaining contracts received COLA adjustments. The most popular COLA clause is 1¢ for every 0.3 point increase in the CPI; however, the rubber workers, automobile workers and aluminum workers all liberalized their formula by providing 1¢ for every .26 increase in the CPI during their last negotiations.

Some examples of hourly increases paid during 1980 under COLA adjustment formulas include the following: steelworkers, 94¢; rubberworkers, $1.04; food and commercial workers, $1.03; autoworkers, 89¢ and teamsters, 95¢ an hour.

☆U.S. GOVERNMENT PRINTING OFFICE : 1981—700-654/308

Bureau of Labor Statistics
Regional Offices



Region I
1603 JFK Federal Building
Government Center
Boston, Mass. 02203
Phone: (617) 223-6761

Region II
Suite 3400
1515 Broadway
New York, N.Y. 10036
Phone: (212) 944-3121

Region III
3535 Market Street
P.O. Box 13309
Philadelphia, Pa. 19101
Phone: (215) 596-1154

Region IV
1371 Peachtree Street, N.E.
Atlanta, Ga. 30367
Phone: (404) 881-4418

Region V
9th Floor
Federal Office Building
230 S. Dearborn Street
Chicago, Ill. 60604
Phone: (312) 353-1880

Region VI
Second Floor
555 Griffin Square Building
Dallas, Tex. 75202
Phone: (214) 767-6971

Regions VII and VIII
911 Walnut Street
Kansas City, Mo. 64106
Phone: (816) 374-2481

Regions IX and X
450 Golden Gate Avenue
Box 36017
San Francisco, Calif. 94102
Phone: (415) 556-4678